



**BUDGET OVERVIEW  
and WORKSHEETS**

Like an electronic version? This document, and an Excel spreadsheet for calculating general fund limits, are posted on the OPI website at <http://www.opi.state.mt.us/> under <School Finance>.

This is an overview of general fund budgeting requirements for Montana school districts. It contains a narrative summary of laws and procedures for setting general fund budget limits and worksheets to assist school district officials in determining general fund budgeting limits and funding for the school year 2004-05.

Some items calculated using these worksheets, such as Average Number Belonging, Weighted Guaranteed Tax Base Subsidies per BASE mill, Special Education entitlements and minimum spending to avoid reversion are reported to each district on March 1 on the "Preliminary Budget Data Sheet". These worksheets can help you verify those entitlements and determine estimated mill levies.

**TIMELINE..... 2**

Timeline from March 1 through September 15, listing important deadlines related to financial reporting, elections, etc.

**OVERVIEW OF GENERAL FUND**

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If you need further assistance, contact the OPI school budgeting staff: Bonnie Maze 444-3249, Tal Redpath 444-3024, or Nancy Hall 444-9852.

## TIMELINE

This list is not all-inclusive. For a more detailed calendar, see the School Accounting Manual.

March 1, 2004	Preliminary Budget Data Sheets sent from OPI to districts and County Superintendents (MCA 20-9-369).
April 25, 2004	Districts that intend to consolidate/annex effective July 1, 2004 must notify OPI.
May 1, 2004	FY 2004-05 revenue estimates for coal gross proceeds sent to districts and to County Superintendents from the Department of Revenue (MCA 20-9-141(4)).
May 4, 2004	Election day. Trustee election and general fund budget election, if needed, must be held. Other school elections may be set at times determined by the trustees (MCA 20-20-105). (See MASBO Elections Calendar)
By May 31, 2004	FY 2003-04 School facility reimbursement payment to eligible districts sent to County Treasurers for deposit in district's debt service fund (MCA 20-9-346(2)(c)).
June 25, 2004	Final FY 2003-04 direct state aid and state special education payment to schools and cooperatives (MCA 20-9-344).
June 30, 2004	Fiscal year-end 2003-04.
July 10, 2004	County Treasurer reports final cash balances and bond information for the school year ended June 30 to each district. (MCA 20-9-121)
Between July 1 & August 4, 2004	Clerk publishes notice of final budget hearing. (MCA 20-9-115)
By Aug 2, 2004	County Assessors deliver taxable valuation information to County Clerk. (1st Monday in August) (MCA 20-9-122)
By the date the final budget is adopted	Last day to hold an election for approval to establish a Building Reserve Fund (61), Technology Levy (28), or Flexibility Fund Levy (29). (OPI recommends all elections be held no later than August 1 to allow adequate time for canvassing votes, etc.)
On or before August 15, 2004	Final budget adopted by trustees (MCA 20-9-131).

## **TIMELINE (Cont'd)**

- August 15, 2004 Trustees submit FY 2003-04 Trustees' Financial Summary (TFS) to the County Superintendent (MCA 20-9-213 (6)). (Joint district reports due to County Superintendents by Sept. 1)
- By Aug 20, 2004 Trustees must submit the final adopted budget to the County Superintendent within 5 days of adoption.
- August 23, 2004 Levy requirements reported to county commissioners by County Superintendent. (MCA 20-9-141) (4th Monday in August)
- Levies fixed by county commissioners.
- September 1, 2004 Joint districts' trustees submit FY 2003-04 Trustees' Financial Summary (TFS) to the County Superintendent (MCA 20-9-213).
- September 13, 2004 \* FY 2004-05 Final Budget and FY 2003-04 Trustees' Financial Summary (TFS) due to OPI from County Superintendent. (2nd Monday in September) (MCA 20-3-209, 20-9-134)

**\*Note:** MAEFAIRS System electronically accepts Trustees' Financial Summary and Final Budget on the same date.

# **OVERVIEW OF GENERAL FUND BUDGETING LAWS**

This is a summary of the major budget laws for the general fund.

## **AVERAGE NUMBER BELONGING**

Average Number Belonging (ANB) for each district is derived from the October enrollment count reported to OPI on the Annual Data Collection (ADC) and the February 1 enrollment count reported to OPI on the Spring Enrollment Report. Pre-kindergarten students are excluded from the ANB calculation and kindergarten students are included as one-half. Part-time students are counted as one-half for ANB. Students who turn 19 years old on or by September 10 of the school year are not counted for ANB.

Enrollment is aggregated for all schools of a district for purposes of determining ANB. However, the law provides for grouping ANB into separate "budget units" for funding purposes when schools within a district are at least 20 miles apart or when conditions exist that would create an unusual hardship for transporting students to another school.

## **SEPARATE BUDGET UNITS**

Enrollment is generally aggregated, or combined, for all schools of a district. The unit of aggregated enrollment used to determine ANB funding is called a "budget unit." When a school is 20 miles or more from another school of the same district and more than 20 miles beyond the incorporated limits of a city located in the district, the school is funded as a separate budget unit. Separate budget units are established only with the approval of the Office of Public Instruction.

Districts with a school 20 or more miles from another school within the district budget an additional "basic entitlement" (discussed below).

CONSOLIDATION "BONUS": Districts that consolidate or annex are entitled to maintain funding for separate budget units for each district for up to three years. After three years, districts retain a percentage of the basic entitlement for an additional three years as follows: 75% of the basic entitlement in the fourth year, 50% of the basic entitlement in the fifth year, and 25% of the basic entitlement in the sixth year. (MCA 20-9-311(8)(a)(iv))

The provisions in law for separate budget unit status should not be confused with "isolated" elementary schools having fewer than 10 ANB. Once approved, isolation status applies for a three-year period if ANB remains under 10.

## PER-ANB ENTITLEMENT AND BASIC ENTITLEMENT

The basic and per-ANB entitlements, along with the district's special education funding, define the BASE and Maximum general fund budget limits.

The **per-ANB entitlement** varies based on the total number of ANB in the district. The **basic entitlement** is a fixed amount of \$19,859 for an elementary district and \$220,646 for a high school district. When an elementary district has an approved 7th-8th grade program, the district adjusts its basic and per-ANB entitlements to reflect the portion of its entitlement calculated at the high school funding rates.

An elementary district or the elementary program of a K-12 district **without an accredited 7th-8th grade program** has a **basic entitlement** of \$19,859 plus a **per-ANB entitlement** of \$4,031 decreased at a rate of \$0.20 per-ANB for each additional elementary ANB up to 1,000 ANB. For each ANB over 1,000, the district per-ANB entitlement is \$3,831.20.

For an elementary district or the elementary program of a K-12 district **with an accredited 7th-8th grade program**, the **basic entitlement** is \$19,859 times the ratio of the K-6 ANB to the total K-8 ANB plus \$220,646 times the ratio of the 7th-8th ANB to the total K-8 ANB. The **per-ANB entitlement** is \$4,031 for each K-6 ANB decreased at a rate of \$0.20 per-ANB for each additional K-6 ANB up to 1,000 ANB. For each K-6 ANB over 1000, the district per-ANB entitlement is \$3,831.20. For 7th-8th grade ANB, the district per-ANB entitlement is \$5,371 per-ANB decreased at a rate of \$0.50 per-ANB for each additional 7th-8th grade ANB up to 800. For each 7th-8th grade ANB over 800, the district per-ANB entitlement is \$4,971.50.

A high school district or the high school program of a K-12 district receives a **basic entitlement** of \$220,646. Its **per-ANB entitlement** is \$5,371 decreased at a rate of \$.50 per-ANB for each additional high school ANB up to 800 ANB. For each ANB over 800, the district per-ANB entitlement is \$4,971.50.

## STATE FUNDING FOR SPECIAL EDUCATION COSTS

The state's special education funding is allocated in:

- two block grants for districts, based on ANB
- reimbursement for disproportionate costs to districts, and
- an additional administrative/travel costs payment to cooperatives.

Block grants are based on the ANB of a district. ANB generally includes children served in regular and special education programs.

Each district which: a) operates a special education program (i.e., has a resident student reported on the most recent special education child count); b) belongs to a special education cooperative; or c) has a signed written agreement with another public entity to provide instructional services to children with disabilities is eligible to receive block grants per ANB. [If one or more of the above are true, a "Yes" appears on Line 5 of the Budget Data Sheet indicating eligibility status.]

The **Instructional Block Grant (IBG)** per ANB is sent to each qualified district. The district must "match" the block grants by spending \$1 of local money for every \$3 received in the

Instructional Block Grant. The matching funds and the block grant are spent for allowable special education costs in accordance with section 20-7-431, MCA.

Each qualified district will also be allocated a **Special Education Related Services Block Grant (RSBG)** amount per ANB. If the district is a member of a special education cooperative, the district's Related Services Block Grant will be sent directly to the cooperative from OPI. The district must "match" the block grant by providing \$1 of local revenue for every \$3 received from the state Related Services Block Grant.

The match is required whether the district or its cooperative receives the related services block grant directly. If the district is a member of a cooperative, the district transfers the match for the Related Services Block Grant to the cooperative and records the transfer as an expense in the district's general fund. Again, the matching funds must be spent only for allowable special education costs in accordance with 20-7-431, MCA.

If certain conditions are met, a district will be eligible to receive reimbursement dollars as part of their state payment. In the event that a district's prior year expenditures exceed that district's required spending by a threshold percentage (new percentage each year), the district will be eligible for **reimbursement of 40% of these disproportionate costs**. The required spending level is based upon state special education payments received plus a percentage of local contribution.

In addition to receiving the Related Services Block Grant for its participating members, **cooperatives will be allocated payments for administrative and travel costs**. These payments will be based on weighted statewide and individual cooperative travel and administrative factors. The cooperative will receive the weighted payment directly and no district or cooperative match is required. The allocation is spent by the cooperative for allowable special education costs in accordance with 20-7-431, MCA.

The district's special education allowable cost payments for the block grants and reimbursements are deposited in the general fund.

## **ESTABLISHING THE BASE & MAXIMUM GENERAL FUND BUDGETS**

State law establishes a minimum (BASE) and maximum general fund budget range for each school district based upon the district's basic and per-ANB entitlements and its special education allowable cost payment. A district that is presently budgeting in excess of the statutory maximum must freeze its budget at no more than the current budget level.

The BASE budget of a district is the sum of 80% of the district's basic entitlement, 80% of the district's per-ANB entitlement, 140% of the district's special education allowable cost payments, and 40% of the related services block grant received directly by the cooperative.

The maximum general fund budget of a district is the sum of 100% of the district's basic entitlement, 100% of the district's per-ANB entitlement, between 175% and 200% of the district's special education allowable cost payments, and between 75% and 100% of the related services block grant received directly by the cooperative.

Several legal restrictions govern the final budget adopted, depending on where the prior year budget was in comparison to the BASE and Maximum amounts for the ensuing year.

## FUNDING THE GENERAL FUND BUDGET

A district may fund its general fund budget from the following sources:

- a) Direct state aid equal to 44.7% of the district's basic and per-ANB entitlements;
- b) Special education allowable cost payments from the state (amounts directly paid to district);
- c) Non-levy revenue and fund balance reappropriated;
- d) Non-voted local levies subsidized with GTB aid to fund up to 35.3% of its basic and per-ANB entitlement and 40% of its special education allowable cost payment, including the related services block grant paid directly to cooperatives; and
- e) Voted and non-voted local levies with no GTB aid for that portion of the general fund budget above 80% of the basic and per-ANB entitlement and 140% of allowable special education payments, and 40% of the related services block grant received directly by the cooperative.

In general, non-levy revenue sources must be **budgeted using actual prior year receipts**. These sources include investment earnings, most taxes and fees, and miscellaneous revenues. *[See page 24 for more information on Non-Levy Revenues.]*

In FY 2001-02, several nonlevy revenues were replaced by a School Block Grant (HB124). The block grant replaces the following revenue sources: Motor Vehicle Fees, corporation license taxes, SB184 property tax reimbursements, State PILT, and state aeronautics fees.

The School Block Grant must be budgeted in the general and transportation funds. For FY 2004-05, the general fund block grant amounts paid in FY 2003-04 will be increased by 0.76%.

The transportation block grant will equal the block grant amount received in FY2003-04 increased by 0.76%.

Beginning in FY2003-04, a combined fund block grant was created. For FY2004-05, the combined block grant paid in FY 2003-04 will be increased by 0.76%. The combined block grant may be deposited into any budgeted fund of the district.

Non-levy revenue sources that may be **estimated include** oil and gas production taxes, tuition, and HB20/SB417 property tax reimbursements. Tuition revenue can be used to fund the Over-BASE budget.

Coal Gross Proceeds taxes may be anticipated using estimates provided by the state Department of Revenue. The Department of Revenue will make those estimates available to districts in May for purposes of budgeting for the next year.

## **GUARANTEED TAX BASE AID (GTB)**

Each school district receives direct state aid for the first 44.7% of its basic and per-ANB entitlements. The district may also receive a special education allowable cost payment to fund a portion of the district's special education program. The next 35.3% of the basic and per-ANB entitlements plus up to 40% of the special education allowable cost payment, including the related services block grant received directly by a cooperative, is the **GTB budget area**. The GTB budget area is funded by fund balance reappropriated from the prior year, non-levy revenues (i.e., School Block Grant, Oil and Gas Production Taxes, Coal Gross Proceeds, property tax reimbursements, investment earnings, etc.), district property taxes, and state guaranteed tax base aid.

A district is eligible for guaranteed tax base aid if its GTB ratio is less than the statewide elementary or high school GTB ratio. Twice a year, in November and May, the GTB subsidy is paid by the state for each mill levied to support the BASE budget.

If a district is eligible for GTB aid, then **for every mill levied to fund the GTB budget area**, the district will receive a subsidy from the state in the amount calculated above. A district first funds its budget with fund balance available for reappropriation and non-levy revenues before it levies property taxes to fund the GTB budget area.

The preliminary calculation of the weighted GTB subsidy per BASE mill is reported to districts in March. Any adjustments of GTB are reflected in the final subsidies shown on the final budget forms.

## **OPERATING RESERVES AND "EXCESS" RESERVES**

At the end of the school fiscal year, a district may reserve a portion of its fund balance as an **operating reserve** for the following school year. The amount reserved may not exceed 10% of the final general fund budget for the following school year, or \$10,000, whichever is greater.

Fund balance must be used to fund the next year's BASE budget unless it is reserved or prior year excess funding the over BASE. A district which is GTB eligible will experience a lower BASE mill levy and a lower GTB payment when dollars are reappropriated to fund the BASE budget.

A district may exceed the 10% reserve limit when the source of the **excess reserves** is the unexpended balance of any amount received for a prior year from a protested tax settlement, tax audit, or delinquent taxes. (Retain documentation supporting the excess reserves for audit purposes.)

Excess reserves may be used to fund budget amendments for deferred projects, may be used in a subsequent year's budget to fund the over BASE portion of the budget, or may be retained for any number of years, as long as they remain unspent and the operating reserve is full.

Interest earned on excess reserves is not an allowable addition to excess reserves.



## BUDGET AUTHORITY AND VOTER APPROVAL

Voting requirements for the general fund depend on whether the district is equalized or not equalized. If voter approval is required, the proposition must comply with 20-9-353, MCA.

### **SUGGESTED PROPOSITION FOR EQUALIZED DISTRICTS:**

"Equalized" districts budgeting between the BASE and maximum must obtain voter approval for an increase in the number of dollars budgeted for the Over-BASE tax levy. Section 15-10-425, MCA, requires the ballot proposing to **increase the Over-BASE levy amount** to INCLUDE THE FOLLOWING INFORMATION:

#### **PROPOSITION**

Shall the district be authorized to impose an increase in local taxes to support the general fund in the amount of \$ (state number of dollars) which is approximately (state number of mills) mills for the purpose of (state purpose)? Passage of this proposal will increase the taxes on a home with a market value of \$100,000 by approximately \$ (state number of dollars) and on a home with a market value of \$200,000 by approximately \$ (state number of dollars).

- ☐ FOR the additional levy.
- ☐ AGAINST the additional levy.

NOTE: The ballot above presents one option. It contains all information required to be included per MCA 15-10-425. As long as key information is contained in the ballot, trustees are allowed to use their discretion in formulating ballot language for equalized general fund elections.

The proposition lists an approximate number of mills, since taxable valuation and other information necessary to determine an exact number of mills is not available at the time of the election. Actual mills will commonly differ from this estimate.

### **REQUIRED PROPOSITION FOR DISEQUALIZED DISTRICTS:**

"Disequalized" districts budgeting above the maximum must obtain voter approval for the portion of budget that exceeds the maximum. Section 20-9-353(3), MCA, requires the ballot for approval of the **portion of the budget that exceeds the maximum** to be in the following format:

#### **PROPOSITION**

Shall the district be authorized to expend the sum of (state the additional amount to be expended) and being approximately (give number) mills for the purpose of (insert the purpose for which additional financing is made)?

- ☐ FOR budget authority and any levy.
- ☐ AGAINST budget authority and any levy.

NOTE: The ballot language above presents exact wording of the REQUIRED ballot language. No deviation is allowed by law.

The proposition lists an *approximate* number of mills, since taxable valuation and other information necessary to determine an exact number of mills is not available at the time of the election. Actual mills will commonly differ from this estimate.

## **How do you determine how much to ask voters to approve?**

The **DOLLAR AMOUNT** to vote is any positive difference between the proposed budget and the "Highest Budget Without a Vote." (See worksheet on page 22.) For an equalized district, the dollar amount is the increase in district property tax to fund the over-BASE budget. For a disequalized district, the dollar amount is the portion of the proposed budget that will exceed the Maximum.

The **NUMBER OF MILLS** to put on the ballot is:

-- For an equalized district, the additional number of Over-BASE mills that will result if the proposition passes. Calculate the mill increase by dividing the proposed dollar increase in Over-BASE levies by the estimated district mill value. District mill value is the taxable valuation times 0.001.

-- For a disequalized district, the term "Over-BASE mills" includes mills levied to support the over-Maximum area of the budget. For over-Maximum budgets, increases or decreases from the previous year are irrelevant, since the entire over-Maximum budget amount must be approved on the ballot. Generally, the number of mills to put on the ballot will be the dollar amount to be voted, divided by the estimated district mill value, unless the district has non-levy revenue or excess reserves available to fund part of the over-Maximum budget area. District mill value is the taxable valuation times 0.001.

NOTE: DO NOT put the entire proposed budget amount on the ballot. Only a portion of the budget requires voter approval. Asking voter approval for the entire budget amount can cause potential legal questions about the meaning of the voter's approval or disapproval.

## **How do you determine "mill value?"**

"Mill value" is the total taxable valuation of the district times 0.001.

For example: Taxable Valuation = \$1, 234,267  
Mill Value = \$1,234,267 X 0.001 = \$1,234.267 per mill

Actual taxable valuation is reported to districts in August and is therefore not available at the time the ballot must be prepared for the May election. For purposes of voting requirements in January through May, districts may estimate mill value using one of the following options: 1) Taxable valuation from the previous year's final budget cover page; or 2) Taxable valuation reported on the "Preliminary Budget Data Sheet" mailed to the district from the Office of Public Instruction (That valuation is more current, since it is the "final" prior year value updated by Department of Revenue in the prior December); or 3) An estimate based on information gathered through discussions with the local assessor.

For calculating final budget mills in August, the district and County Superintendent must use the taxable valuation delivered to the school district by the Assessment Division of the Department of Revenue in July or a subsequent official revision of that report.

## **DISTRIBUTION OF DIRECT STATE AID AND GTB PAYMENTS**

Each district receives 10% of its direct state aid payment each month during August through October, December through April, and the remainder in June. In November and May, eligible districts receive one-half of their annual guaranteed tax base aid. Direct state aid is not paid in November or May. OPI posts a monthly payment advice for each district Clerk and County Superintendent on the OPI website under "Entitlement Payments".

## **BUDGET AMENDMENTS**

The trustees may pass a resolution to amend the budget for reasons provided in section 20-9-161, MCA. Before adopting a budget amendment *for an unusual enrollment increase*, the trustees must petition OPI and get approval to proceed. The school trustees, without the prior approval of OPI, may approve a budget amendment for any other legal reason. The October count (Fall Enrollment Report) or February count (Spring Enrollment Report) is used to calculate and support a budget amendment for an unanticipated enrollment increase. The state will pay additional direct state aid for a portion of a budget amendment adopted for an enrollment increase if the enrollment increase is greater than 6% of the enrollment used to calculate ANB.

The additional ANB approved under a budget amendment for an enrollment increase and the additional budget authority approved in the budget amendment ARE NOT USED in calculating the budget growth limits for the next school year.

## **K-12 DISTRICTS**

The per-ANB entitlement for a K-12 district is calculated by applying the funding formulas to the number of K-8 ANB and 9-12 ANB, the same as is done for elementary and high schools districts.

The BASE-budget levy is prorated based on the ratio of each subsidized BASE budget of the elementary and high school program to the total subsidized BASE budget (i.e., state/county direct aid payments and match for special education allowable and related cost payments). The proration will be used to determine GTB aid separately for elementary and high school.

Retirement obligations and retirement GTB are paid as high school level obligations.

## **STATUS AND ANB CHANGES (K-12, Annexation/Consolidation, Isolation Status, Opening/Closing Schools, Anticipated ANB Increases, etc.)**

Districts planning to change status for the next year must notify OPI as soon as possible, and not later than April 25. Because lead-time is necessary to process and record changes for a district, notifying OPI after April 25 may result in lower Title 1 allocations and delays in other funding areas.

### FY 2004-05 BUDGET LIMITS

There are 4 categories of budget limitations. Determine the category to use by comparing the district's FY2003-04 adopted budget with the FY2004-05 maximum and considering the prior year equalization status\*\*. "ANB" means Average Number Belonging, which is the student count used for state funding. "PY" means prior year, which is FY 2003-04. "CY" means current year, which is FY2004-05.

CATEGORY	HIGHEST BUDGET WITHOUT A VOTE	HIGHEST BUDGET	VOTING REQUIREMENT
<b>1A. "Equalized"</b> If: PY Budget Does not Exceed CY Maximum	<b>1B.</b> CY BASE + PY Over-BASE Levy + Fund Balance Reappropriated Avail. to fund the Over-BASE budget + Excess Reserves Used to Fund the Over-BASE budget + Estimated Tuition Revenue  (Must adopt at least CY BASE budget and not more than the CY Maximum.)	<b>1C.</b> CY Maximum	<b>1D.</b> Growth in Over-BASE tax levies, in dollars.  -- Should equal the difference between the proposed budget and 1B.  NOTE: See the PY Over-BASE tax levy on line V-K on General fund worksheet of the PY Final Budget form.
<b>2A. "Disequalized" – Less than 30% ANB Decrease</b> If: PY Budget Exceeds CY Maximum And: Either: [(PY ANB less CY ANB)divided by PY ANB] is less than 30% (round up) and PY EQ status = EQ Or: PY Equalization Status** = DU1, DU2, DU3, DU4, DU5	<b>2B.</b> CY Maximum  (Must adopt at least CY BASE budget.)	<b>2C. Years 1-5:</b> PY Adopted Budget  Year 6: CY Maximum	<b>2D.</b> The Over-Maximum budget amount.  I.e., The adopted budget up to 2C, less CY Maximum.  NOTE: District is required to adopt no more than maximum by Year 6.
<b>3A. "Disequalized" – 30% or greater ANB Decrease</b> If: PY Budget Exceeds CY Maximum  And: Either: [(PY ANB less CY ANB) divided by PY ANB] is 30% or more (Round Up) and PY EQ status = EQ Or: PY Equalization Status** = DO1, DO2, DO3, or DO4	<b>3B.</b> CY Maximum  (Must adopt at least CY BASE budget.)	<b>3C.</b> Year 1: CY Maximum + [80% X (PY Budget - CY Maximum)]  Year 2: CY Maximum + [75% X (PY Budget - CY Maximum)]  Year 3: CY Maximum + [66.7% X (PY Budget - CY Maximum)]  Year 4: CY Maximum + [50% X (PY Budget - CY Maximum)]	<b>3D.</b> The Over-Maximum budget amount.  i.e., The adopted budget up to 3C, less CY Maximum.  NOTE: District is required to adopt no more than maximum by Year 5.  Year 5: CY Maximum
<b>4A. "Disequalized" – Since HB667</b> PY Equalization Status** = DA. I.e., Adopted budget has exceeded Maximum every year since HB667 began*, and PY Budget exceeds CY Maximum.	<b>4B.</b> CY Maximum  (Must adopt at least CY BASE budget.)	<b>4C.</b> <u>Lesser of:</u> 1) PY Budget OR 2) CY Maximum + (PY Budget - PY Maximum) i.e., can maintain Over-Max budget from prior year, but adopted budget may not exceed CY maximum by more than (PY Budget-PY Maximum) and may not exceed the PY budget, if less.	<b>4D.</b> The Over-Maximum budget amount.  I.e., The adopted budget up to 4C, less CY Maximum.

\* **HB667** (1993) allowed districts that were above Maximum when the law became effective to remain above Maximum by a vote. Districts budgeting over Maximum since HB667 fall under category 4 above.

\*\* **Prior Yr Equalization Status** is the category of budgeting applicable to the previous year's adopted budget (See Preliminary Budget Data Sheet).

"EQ" = Equalized. "DU1" = disequalized with an ANB decrease less than 30%, year 1. "DU2" = disequalized with an ANB decrease less than 30%, year 2. "DU3" = disequalized with an ANB decrease less than 30%, year 3. "DU4" = disequalized with an ANB decrease less than 30%, year 4. "DU5" = disequalized with an ANB decrease less than 30%, year 5. "DO1" = disequalized with an ANB decrease of at least 30%, year 1. "DO2" = disequalized with an ANB decrease of at least 30%, year 2. "DO3" = disequalized with an ANB decrease of at least 30%, year 3. "DO4" = disequalized with an ANB decrease of at least 30%, year 4. "DA" means disequalized since HB667.

# ANB Calculation

Use the "Certified ANB" from the Preliminary Budget Data Sheet. This form shows how ANB is calculated.

<b>By Budget Unit:</b>		<b>Elementary Example</b>	<b>High School Example</b>	<b>Your District</b>	<b>Your District</b>	<b>Your District</b>
Total October Enrollment (most recent Fall Count)	(a)	90	50			
Less: Pre-Kindergarten enrollment *	(b)	5	NA			
Less: Kindergarten pupils enrolled less than 180 hrs/year [number in this category X 1.0] **	(c)	1	NA			
Less: One-half Kindergarten pupils enrolled 180 hours or more [number in this category X 0.5] **	(d)	5	NA			
Less: Part-time enrolled pupils less than 180 hrs/year [number in this category X 1.0] **	(e)	1	2			
Less: One-half Part-time enrolled pupils 180-359 hrs/year [number in this category X 0.5] **	(f)	2	4			
Less: 19-Year-Old pupils included in (a)	(g)	NA	2			
<b>October Adjusted Enrollment</b> [a - b - c - d - e - f - g]	(h)	76	42			
Total February Enrollment (most recent Spring count)	(i)	88	47			
Less: Pre-Kindergarten enrollment *	(j)	5	NA			
Less: Kindergarten pupils enrolled less than 180 hrs/year [number in this category X 1.0] **	(k)	2	NA			
Less: One-half Kindergarten pupils enrolled 180 hours or more [number in this category X 0.5] **	(l)	4.5	NA			
Less: Part-time enrolled pupils less than 180 hrs/year [number in this category X 1.0] **	(m)	1	2			
Less: One-half Part-time enrolled pupils 180-359 hrs/year [number in this category x 0.5] **	(n)	3	5			
Less: 19-Year-Old pupils included in (i)	(o)	NA	2			
Plus: Early Graduates ***	(p)	NA	2			
<b>February Adjusted Enrollment</b> [ i - j - k - l - m - n - o + p]	(q)	72.5	40			
Avg. Enrollment [(h+q) divided by 2] - Don't round.	(r)	74.25	41			
Pupil Instruction Related (PIR) Days - for same year as two enrollment counts (usually 7)	(s)	7	7			
Total Days Funded, including PIR days: (180 plus number of PIR days on line (s))	(t)	187	187			
<b>ANB [(r X t) divided by 180]</b> Always round up to next whole number.	(u)	78	43			

Note: \* Pre-Kindergarten is "enrolled" but not permitted for ANB.

\*\* See hour requirements in A.R.M. 10.20.102(7)

\*\*\* "Early Graduates" are high school seniors who complete graduation requirements in 7 semesters, and are no longer enrolled as of the February count date.

Other Notes: (1) If official count day is not a school day for your district, use the next pupil-instruction day.

(2) If student is absent more than 10 consecutive days as of the count date (excused or unexcused), student cannot be included in the count of enrolled pupils.

## BASIC ENTITLEMENT

**Formula for computing a district's basic entitlement:**

	<b>Elementary District</b> <u>without</u> an accredited 7th-8th grade program	<b>Elementary District</b> <u>with</u> an accredited 7th-8th grade program	<b>High School District</b> (9-12)	<b>K-12 District</b> (K-8) <b>OR</b> (K-6 + 7-8), <b>AND</b> (9-12)
<b>(a) K-6 or K-8 Program Only:</b>  \$19,859	\$ 19,859			
<b>(b) K-6 and 7-8 Programs:</b> (round % up or down to nearest whole percentage)  K-6 ANB = _____ = _____ %* K-8 ANB X \$19,859  <b>PLUS:</b> 7-8 ANB = _____ = _____ %* K-8 ANB X \$220,646				
<b>(c) 9-12 Program:</b> \$220,646			\$ 220,646	\$ 220,646
<b>TOTAL BASIC ENTITLEMENT</b>	\$ 19,859		\$ 220,646	

[Enter Basic Entitlement on p. 18 or p. 19, line (a)]

\* NOTE: ROUND K-6 and 7-8 percentages UP OR DOWN to the nearest whole percentage.

- If 7th-8th grade students attend a school without an accredited 7th-8th grade, middle school or junior high school program, the district calculates its basic entitlement using formula (a).
- If 7th-8th grade students attend a school with an accredited 7th-8th grade, middle school or junior high school program, the district calculates its basic entitlement using formula (b).
- A district with a school that is more than 20 miles from any other school of the district calculates the basic entitlement for that school as if the school were in a separate district (i.e., as a separate budget unit). OPI approves additional budget units.

## PER-ANB ENTITLEMENT

### Formula for computing per-ANB entitlement:

<b>Elementary Districts with K-6 –OR-- K-8 only (i.e., no 7-8 grade program):</b>	<b>Elementary</b> (K-6 or K-8) Per-ANB Entitlement	
<b>a) With <u>1000 ANB or less</u>:</b>  [ \$4,031 X Elem ANB ] - [ 0.20 X (Elem ANB / 2) X (Elem ANB - 1) ]		
<b>b) With <u>greater than 1000 ANB</u>:</b>  \$3,931,100 + [ (Elem ANB - 1000) X \$3,831.20 ]		
<b>High School Districts and 7-8 grade accredited programs:</b>	<b>Elementary</b> (7-8 Program) Per-ANB Entitlement	<b>High School</b> (9-12) Per-ANB Entitlement
<b>c) 7-8 Grade Accredited Program With <u>800 ANB or less</u>:</b>  [ \$5,371 X 7-8 ANB ] - [ 0.50 X ( 7-8 ANB / 2 ) X ( 7-8 ANB - 1 ) ]		
<b>d) High School With <u>800 ANB or less</u>:</b>  [ \$5,371 X HS ANB ] - [ 0.50 X ( HS ANB / 2 ) X ( HS ANB - 1 )		
<b>e) 7-8 Grade Accredited Program With <u>greater than 800 ANB</u>:</b>  \$4,137,000 + [ ( 7-8 ANB - 800 ) X \$4,971.50 ]		
<b>f) High School With <u>greater than 800 ANB</u>:</b>  \$4,137,000 + [ ( HS ANB - 800 ) X \$4,971.50 ]		
<b>(g) Totals [Sum of (a) through (f)]</b>	Elem Total	HS Total
<b>(h) K-12 Districts Only: Sum of elementary [(K-6), (7-8)] and high school [(9-12)] amounts from sections (g) above</b>	K-12: Sum of Elem (g) and High School (g)	

[Enter Per-ANB Entitlement on p. 18 or p. 19, line (b)]

- If 7th-8th grade students attend a school without an accredited 7th-8th grade, middle school or junior high school program, the district calculates its per-ANB entitlement using elementary formula (a) or (b).
- If 7th-8th grade students attend a school with an accredited 7th-8th grade, middle school or junior high school program, the district calculates its per-ANB entitlement by using the K-6 ANB in elementary formula (a) or (b) and the 7-8 ANB in high school formula (c) or (e).
- A district with a school that is more than 20 miles from any other school of the district calculates its per-ANB entitlement for that school as if the school were a separate district (i.e., as a separate district). OPI approval is required for additional budget units.



## SPECIAL EDUCATION FUNDING AND BUDGET

<b>SPECIAL EDUCATION ALLOWABLE COST PAYMENTS:</b>		<b>Elementary</b> (K-6) and (7-8)	<b>High School</b> (9-12)	<b>K-12</b> (Total Elem and HS)
<b>Instructional Block Grant</b> (Budget Data Sheet, Line 5a) [IBG rate per ANB X FY2004-05 ANB]	(a)			
<b>Related Services Block Grant</b> (Budget Data Sheet, Line 5b) If co-op member, enter 0. If NOT a co-op member, enter (RSBG rate per ANB X FY2004-05 ANB)	(b)			
<b>Reimbursement for Disproportionate Costs</b> <u>For Elem or HS Districts:</u> [Budget Data Sheet, Line 5c]  <u>For K-12 Districts:</u> ELEM: Budget Data Sheet, page 3  HS: Budget Data Sheet, page 3	(c)			
<b>Total Special Education Allowable Cost Payment (district)</b> [a + b + c]		(d)	[Enter on p.18 or 19, line (c) AND p.26 or 27, line (3b)]	
<b>PRORATED COOPERATIVE COST PAYMENTS :</b>				
<b>Related Services Block Grant</b> (Budget Data Sheet, Line 5e)  If NOT in cooperative, enter 0. If a coop member, enter (RSBG rate per ANB X FY2004-05 ANB)	(e)	[Enter on p.18 or 19, line (d)]		
<b>LOCAL MATCH AND REQUIRED SPENDING:</b>				
<b>REQUIRED LOCAL MATCH</b> [(a + b + e) X 0.33]	(f)			
<b>SPECIAL ED SPENDING TO AVOID REVERSION</b> [a + b + f] You must spend this amount in order to avoid "reverting" (refunding) state special ed funds.	(g)			

-- Districts must spend \$1 of local money for every \$3 of state funding received for special education block grants. If match is not provided, or if state funding is not spent, the state money is proportionally "reverted" from the next year's special education funding. "Reverted" means the unspent or unmatched amount is subtracted from special education payments in the next year.

-- "Match" and any expenditures of state special education funding must be paid for "allowable costs" as defined by 20-7-431, MCA. Match may include allowable special education costs using expenditure program 280 in funds 01 General Fund, 24 Metal Mines and Tax Reserve Fund, 25 State Mining Impact Fund, and 26 Impact Aid Fund. Match may not include money received for services provided by your district to other districts or cooperatives; prorated costs of operations and maintenance, such as heat, lights, repairs, minor remodeling, service contracts on equipment and security services; transportation costs; and retirement costs (i.e., retirement fund expenditures). Receipts for special education services provided to other districts or cooperatives must be deposited in the miscellaneous programs fund and spent within the year received.

-- Match for the instructional block grant may include direct expenditures of the district OR payments or transfers to the district's cooperative for special education purposes (X01-280-6200-920). If the district is a cooperative member, the match for the related services block grant MUST be paid to the district's cooperative. If the district is not a member of a cooperative, the match for the related services block grant must be made in direct district expenditures for special education allowable costs.

-- State special education funding received by a district must be deposited in the general fund. State special education funding received by a cooperative must be deposited to the cooperative fund (382).

## MAXIMUM BUDGET LIMIT

		Elementary	High School*
100% of Basic Entitlement (page 15)	(a)		
100% of Per-Student Entitlement (page 16)	(b)		
Special Education Allowable Cost Payments [Budget Data Sheet, Line 5d OR p. 17 line (d)]	(c)		
Prorated Special Education Cooperative Payments [Budget Data Sheet, Line 5e OR p. 17 line (e)]	(d)		
<b>% of Special Ed Funding in Maximum:</b>  (e)(i) ACTUAL %: (round up to nearest whole %) $\left[ \frac{\text{FY 2002-03 Spec. Ed Gen. Fund Allowable Cost Expenditures} - 1.00}{\text{FY 2002-03 Spec. Ed Allowable Cost Payments}} \right] \times 100$  <u>Expenditures:</u> From FY 2002-03 Trustees' Financial Summary, Special Ed Reversion Report, General Fund column.  <u>Special Ed Allowable Cost Payments:</u> From FY 2002-03 Final Budget, Line (I-C)	(e)(i)		
(e)(ii) Minimum % = 75%	(e)(ii)	75%	75%
(e)(iii) Required % of Special Ed Funding in Maximum: Greater of (e)(i) or (e)(ii), <i>but not more than 100%</i> <b>[Budget Data Sheet, Line 3a]</b>	(e)(iii)	<input type="text"/>	<input type="text"/>
Dollar Amount of Required % of Special Education Allowable Costs in Maximum, including prorated special education cooperative payments [(e)(iii) times the sum of (c) plus (d)]	(e)		
<b>Maximum Budget Limit</b> [(a) plus (b) plus (c) plus (e)]	(f)	[Enter on p.21 line 9]	

## BASE BUDGET LIMIT

		Elementary	High School *
80% of Basic Entitlement [0.80 X (a) above]	(g)		
80% of Per-Student Entitlement [0.80 X (b) above]	(h)		
Special Education Allowable Cost Payments (district) [from (c) above]	(i)		
<u>40%**</u> of Special Education Allowable Costs, including prorated special education cooperative payments [ 0.40 times the sum of (c) plus (d)]	(j)		
<b>Base Budget Limit</b> [(g) plus (h) plus (i) plus (j)]	(k)	[Enter on p.21 line 8 AND p.26 line 2]	

\* K-12 districts -- Use worksheet on p. 20

\*\* First 40% of Special Education MUST be in BASE.

**MAXIMUM BUDGET LIMIT**  
**-- K-12 Districts**

		EL +		HS =		K-12
100% of Basic Entitlement (page 15)	(a1)		(a2)		(a3)	
100% of Per-Student Entitlement (page 16)	(b1)		(b2)		(b3)	
Special Education Allowable Cost Payments  [From p.17 line (d), and K-12 total should match Budget Data Sheet, Line 5d]	(c1)		(c2)		(c3)	
Prorated Special Education Cooperative Payments  [P.17 line (e); Total K-12 amount on (d3) matches Budget Data Sheet, Line 5e]	(d1)		(d2)		(d3)	
<b>% of Special Ed Funding in Maximum:</b>  (e)(i) ACTUAL %: (round UP to next whole %)  [(FY 2002-03 Spec. Ed Gen. Fund Allowable Cost Expenditures) divided by (FY2002-03 Spec. Ed Allowable Cost Payments), minus 1.00, times 100]  <u>Expenditures:</u> From FY 2002-03 Trustees' Financial Summary, Special Ed Reversion Report, General Fund column.  <u>Special Ed Allowable Cost Payments:</u> From FY 2002-03 Final Budget, Line (I-C)					(e3)(i)	
(e)(ii) Minimum % = 75%					(e3)(ii)	75%
(e)(iii) Required % of Special Ed Funding in Maximum:  Greater of (i) or (ii), <i>but not more than 100%</i> <b>[Budget Data Sheet, Line 3a]</b>					(e3)(iii)	
Dollar Amount of Required % of Special Education Allowable Costs in Maximum, including prorated special education cooperative payments [(e3)(iii) times the sum of (c) plus (d)]	(e1)		(e2)		(e3)	
Maximum Budget Limit [(a3) plus (b3) plus (c3) plus (e3)]					(f)	[Enter on p.21 line 9]

\* First 40% of Special Education MUST be in BASE. Between 35% and 60% is applied in OVERBASE, totaling up to 100% in the Maximum.

**BASE BUDGET LIMIT**  
**-- K-12 Districts**

		<b>EL</b> +		<b>HS</b> =		<b>K-12</b>
80% of Basic Entitlement [0.80 X page 15]	(g1)		(g2)		(g3)	
80% of Per-Student Entitlement [0.80 X page 15]	(h1)		(h2)		(h3)	
Special Education Allowable Cost Payments (district) [from (d) on page 17]	(i1)		(i2)		(i3)	
<u>40%</u> of Special Education Allowable Costs, including prorated special education cooperative payments  [ 0.40 times the sum of (c) plus (d) on page 19]	(j1)		(j2)		(j3)	
<b>Base Budget Limit</b> [(g3) plus (h3) plus (i3) plus (j3)]					(k)	[Enter on p.21 line 8 AND p.27 line 2]
<b>[NOTE: If GTB Subsidy per BASE mill on Budget Data Sheet, page 3, equals zero for BOTH Elem and HS, skip this section and go to page 21.]</b>						
<b>CALCULATION OF RATIO FOR PRORATION OF SUBSIDIZED BASE BUDGET:</b>						
GTB Area [ p.19 line(a) plus(b), times 35.3%]	(L1)		(L2)		(L3)	
Subsidized BASE Amounts (j plus L)	(m1)		(m2)		(m3)	
Subsidized BASE Ratio (ROUND UP OR DOWN TO NEAREST WHOLE PERCENTAGE)	(n1)	[Enter on p.27 line 6a]	(n2)	[Enter on p. 27 line 6b]	(n3)	
		<b>(m1/m3)</b>	+	<b>(m2/m3)</b>	=	<b>100%</b>

# Recap of General Fund CURRENT AND PRIOR YEAR DATA SCHOOL YEAR 2004-05

## I. AVERAGE NUMBER BELONGING (ANB)

- |     |  |      |       |
|-----|--|------|-------|
| 1.  | FY 2003-04 ANB (Budget Data Sheet, Line 4c)  | (1)  |       |
| 2.  | FY 2004-05 ANB [Budget Data Sheet, Line 1 OR p.14 line (u)]  | (2)  | <hr/> |
| 2b. | Percentage of ANB Decrease [(Line 1 - Line 2), divided by Line 1, X 100]<br>(ROUND UP TO NEAREST WHOLE PERCENT per ARM 10.22.102(5)) | (2b) | <hr/> |

## II. FISCAL 2003-04 BUDGET DATA

- |     |   |         |       |
|-----|---|---------|-------|
| 3.  | FY 2003-04 BASE Budget Limit (Budget Data Sheet, Line 4a)   | (3)     |       |
| 4.  | FY 2003-04 Maximum Budget Limit (Budget Data Sheet, Line 4b)  | (4)     | <hr/> |
| 5.  | FY 2003-04 Adopted General Fund Budget (Budget Data Sheet, Line 4d)<br>NOT include budget amendments)                       | (Do (5) | <hr/> |
| 6.  | -----Line Not Used-----   | (6)     | N/A   |
| 7.  | FY 2003-04 Over-BASE Levy (in dollars) [Last year's Final<br>Budget form, page 4, line V-K] or [Budget Data Sheet, Line 4e] | (7)     | <hr/> |
| 7b. | FY 2003-04 Equalization Status [Budget Data Sheet, Line 4f]<br>[EQ, DU1, DU2, DU3, DU4, DU5, DO1, DO2, DO3, DO4or DA]       | (7b)    | <hr/> |

## III. FISCAL 2004-05 BUDGET DATA

- |     |  |      |       |
|-----|--|------|-------|
| 8.  | FY 2004-05 BASE Budget Limit (Budget Data Sheet line 3b, OR Page 18 or 20, Line (k))       | (8)  |       |
| 9.  | FY 2004-05 Maximum Budget Limit<br>(Budget Data Sheet Line 3c, OR Page 18 or 19, Line (f)) | (9)  | <hr/> |
| 10. | Is district within the equalized range?  | (10) | <hr/> |

If FY 2003-04 adopted budget (line 5) is less than or equal to FY2004-05 Maximum (Line 9), enter **"Yes"** and complete section 11 on page 22.

If not, enter **"No"** and complete section 12, 13, or 14 on pages 22-23 as follows:

If line (7b) = EQ and (2b) is less than 30%, complete section 12 on page 22.

If line (7b) = EQ and (2b) is greater than or equal to 30%, complete section 13, year 1, on page 23.

If line (7b) = DU1, DU2, DU3, DU4 or DU5, complete section 12 on page 22.

If line (7b) = DO1, complete section 13, year 2, on page 23.

If line (7b) = DO2, complete section 13, year 3, on page 23.

If line (7b) = DO3, complete section 13, year 4, on page 23.

If line (7b) = DO4, complete section 13, year 5, on page 23

If line (7b) = DA, complete section 14 on page 23.

NOTE: Districts forming a new K-12 district, contact OPI school budgeting staff for assistance.

## **FY 2004-05 BUDGET LIMITS AND VOTED AMOUNT - "EQUALIZED" DISTRICTS**

If the answer to (10) on page 21 is "Yes", complete number 11.

**11. Equalized Districts (EQ)**-- If district is within "equalized" range, i.e., if Prior Year Budget (Line 5) is less than or equal to Current Year Maximum (Line 9):

Minimum Budget Limit is BASE (Line 8) (11a) \_\_\_\_\_

Highest Budget Limit is Maximum (Line 9) (11b) \_\_\_\_\_

Highest Budget WITHOUT A VOTE:

BASE (Line 8) (11c)(i) \_\_\_\_\_

Plus: FY 2003-04 **Over-BASE Levy** (in dollars)  
(Line 7) (11c)(ii) \_\_\_\_\_

Plus: Fund balance reappropriated and non-levy  
revenue available to fund **Over-BASE area**, after  
Funding BASE. (11c)(iii) (Rare) \_\_\_\_\_

(NOTE: It will be rare to have an amount here. BASE  
levy will be zero when an amt is available to use in this  
field.)

Plus: Excess reserves used to fund **Over-BASE** (11c)(iv) (Rare) \_\_\_\_\_

Plus: Tuition Revenue to Fund **Over-BASE** (11c)(v) \_\_\_\_\_

**TOTAL** (Sum of (11c)(i) through (11c)(v)) (11c)(vi) \_\_\_\_\_

**Highest Budget Without a Vote:** [Lesser of (11c)(vi) or (11b)] (11c) \_\_\_\_\_

Largest Voted Amt. Possible (Line 11b - Line 11c, but not less than 0) (11d) \_\_\_\_\_

[Enter on page 26 or 27, line 1]

Proposed FY 2004-05 General Fund Budget (Cannot exceed Line 11b) (11e) \_\_\_\_\_

Amount Requiring Voter Approval (Line 11e - Line 11c)  
(i.e., Must vote the increase in Over-BASE levies, in dollars.) (11f) \_\_\_\_\_

## **FY 2004-05 BUDGET LIMITS AND VOTED AMOUNT - "DISEQUALIZED" DISTRICTS**

**12. Disequalized - (DU) Less than 30% ANB decrease** - If district: 1) Is disequalized (Line 5 is greater than Line 9); AND 2) Had an ANB decrease less than 30% (Line 2b is less than 30%) OR Prior Year Equalization Status on line (7b) is DU1, DU2, DU3, DU4 or DU5:

Minimum Budget Limit is BASE (Line 8) (12a) \_\_\_\_\_

Highest Budget is PY Adopted Budget (Line 5) for PY status of EQ, DU1, DU2, DU3 or DU4. (12b) \_\_\_\_\_

If PY status = DU5, highest budget is maximum.

Highest Budget WITHOUT A VOTE is Maximum (Line 9) (12c) \_\_\_\_\_

Largest Voted Amt. Possible (Line 12b - Line 12c, but not less than 0) (12d) \_\_\_\_\_

[If PY status = DU5, no voted budget is possible.]

[Enter on page 26 or 27, line 1]

Proposed FY 2004-05 General Fund Budget (Cannot exceed Line 12b) (12e) \_\_\_\_\_

Amount Requiring Voter Approval (Line 12e - Line 12c)  
(i.e., Must vote the portion of budget exceeding the Maximum) (12f) \_\_\_\_\_

[If PY status = DU5, no voted budget is possible.]

**13. Disequalized – (DO) 30% or greater decrease in ANB** -- If district: 1) Is disequalized (Line 5 is greater than Line 9); AND 2) Had an ANB decrease of 30% or more (Line 2b is at least 30%) OR has a Prior Year Equalization Status on line (7b) of DO1, DO2, DO3, or DO4:

Minimum Budget Limit is BASE (Line 8) (13a) \_\_\_\_\_

Highest Budget:

Year 1: CY Maximum plus 80% of disequalized range  
[Line 9 + (0.80 X (Line 5 – Line 9))]

--OR --

Year 2: CY Maximum plus 75% of disequalized range  
[Line 9 + (0.75 X (Line 5 – Line 9))]

--OR--

Year 3: CY Maximum plus 66.7% of disequalized range (13b)  
[Line 9 + (0.667 X (Line 5 – Line 9))]

-OR -

Year 4: CY Maximum plus 50% of disequalized range  
[Line 9 + (0.50 X (Line 5 – Line 9))]

- OR -

Year 5: CY Maximum (Line 9)

Highest Budget WITHOUT A VOTE is Maximum (Line 9) (13c) \_\_\_\_\_

Largest Voted Amount Possible (Line 13b – Line 13c) (13d) \_\_\_\_\_

[If PY status = DO4, no voted budget is possible]

\_\_\_\_\_  
[Enter on p. 26 or 27, line 1]

Proposed FY 2004-05 General Fund Budget (Cannot exceed Line 13b) (13e) \_\_\_\_\_

Amount Requiring Voter Approval (Line 13e – Line 13c)

(i.e., Must vote the entire portion of budget exceeding the Maximum) (13f)

[If PY status = DO4, no voted budget is possible.] \_\_\_\_\_

**14. Disequalized Since HB 667** - If district has adopted a budget over the maximum since HB667, i.e., if the Prior Year Equalization Status on line (7b) is DA:

Minimum Budget Limit is BASE (Line 8) (14a) \_\_\_\_\_

Highest Budget – **Lesser of:**

i) PY Budget (Line 5); OR

ii) CY Maximum plus PY Over-Maximum  
budget amount [Line 9 + (Line 5 – Line 4)] \_\_\_\_\_

(14b) \_\_\_\_\_

Highest Budget WITHOUT A VOTE is Maximum (Line 9) (14c) \_\_\_\_\_

Largest Voted Amount Possible (Line 14b - Line 14c, but not less than 0) (14d) \_\_\_\_\_

\_\_\_\_\_  
[Enter on p. 26 or 27, line 1]

Proposed FY 2004-05 General Fund Budget (Cannot exceed Line 14b) (14e) \_\_\_\_\_

Amount Requiring Voter Approval (Line 14e – Line 14c)

(i.e., Must vote the entire portion of budget exceeding the Maximum) (14f)

## Budgeting Non-Levy Revenues for the General Fund

Use this worksheet to estimate General Fund Non-Levy (ie, non-tax) resources for the FY2004-05 budget (20-9-141,MCA)

Revenue Code	Description	Comments	FY2004-05 Budgeted Revenue ELEM	Amount HS or K-12
<b>"ACTUAL" -- The following revenues MUST BE anticipated on the budget form USING ACTUAL PRIOR YR receipts:</b>				
1130	Tax Title/Property Sales			
1510	Interest Earnings			
1800	Community Srvcs. Activities			
1900	Other Revenue – District	(AKA "Miscellaneous")		
1910	Rentals – Building and Equip			
1920	Contributions/Donations	Not usually a gen. fund item		
1940	Textbook Sale/Rental			
1945	Resale of Supplies/Materials			
1950	Srvcs to Other Schools/Coops			
1960	Servics to Other Govts			
1970	Servics to Other Funds			
1981	Summer School Revenues			
3302	State PILT, FWP			
<b>Total "Actual"</b>				
<b>"ANTICIPATED" -- The following types SHOULD BE ESTIMATED using the best information available:</b>				
1123	Coal Gross Proceeds	Dept of Rev sends elig. dists an estimate in May		
3440	Property Tax Reimbursement (HB20 and SB417) (2 types existing <u>before</u> SB184)	By law, will be <u>10% lower than the 1998-99 amount each year</u> . Dept of Rev will send a total by district, which must be divided into fund-by-fund estimates (i.e., best estimate is 40% X actual FY 1998-99 total receipts of all funds).		
3444	School Block Grant (HB124) -- OPI will distribute 70% in November, 30% in May.	Must estimate using the FY 2003-04 actual receipts (in each fund), increased by 0.76%.		
3445	Combined Fund School Block Grant (SB 424)	The total combined school block grant must be allocated, at the trustees' discretion, among budgeted funds. The amount available for FY2004-05 is the FY2003-04 actual receipts, increased by 0.76%. <u>OPI recommends allocating 0.00 to the General Fund, as this could reduce GTB.</u>		
3460	MT Oil and Gas Tax			
9100	Other Revenue	Use for any revenue type for which a code is not provided on budget but you want to anticipate.		
9710	Residual Equity Transfers-In	Use if you expect to close a fund to gen. fund, have receipts from closed or annexed school, etc.		
4800	Federal PILT	Rare		
<b>Total "Anticipated"</b>				
<b>"OTHER" -- The following types MAY BE estimated -- NOT RECOMMENDED due to ability to hold receipts as Excess Reserves:</b>				
1117	District-Prior Year Taxes	Allowed as excess reserves		
1118	Dist.-Dept of Rev Tax Audit	Allowed as excess reserves		
1190	Penalties and Int on Taxes	Allowed as excess reserves		
<b>Total "Other"</b>				
<b>Tuition Revenue Used to Fund the OverBASE Budget:</b>				
1310	Tuition from Individuals (If used to fund OverBASE budget)	For attendance in the budget yr		
1320	Tuition from In-State Schools (If used to fund OverBASE budget)	Usually, for attendance in the prior year. Includes tuition rec'd from another in-state district or the state/county.		
1330	Tuition from Out-of-State Schools (If used to fund OverBASE budget)	Usually, for attendance in the prior year. Includes tuition rec'd from an out-of-state district or another state.		
<b>Total "Tuition to Fund OverBASE"</b>				
<b>TOTAL</b> (Enter on page 26 or 27, line 5)				



# GENERAL FUND GUARANTEED TAX BASE AID

## GTB RATIOS AND SUBSIDIES

This schedule can be used to verify the Weighted GTB subsidy reported on the Budget Data Sheet.

### I. STATEWIDE GTB RATIO:

Statewide taxable valuation (Tax Year 2003) **	(a)	\$ 1,700,273,077
2003-04 Statewide GTB subsidized budget area for <u>elementary</u> districts: 35.3% of the Basic Entitlement + 35.3% of the Per-ANB Entitlement + 40% of special education allowable cost payments to elementary districts (including prorated coop costs)	(b)	\$ 162,035,130.21
2003-04 Statewide GTB subsidized budget area for <u>high school</u> districts: 35.3% of the Basic Entitlement + 35.3% of the Per-ANB Entitlement + 40% of special education allowable cost payments to elementary districts (including prorated coop costs)	(c)	\$ 106,061,950.27
Elementary GTB ratio: [(a) divided by (b)] x 175%	(d)	18.36
High School GTB ratio: [(a) divided by (c)] x 175%	(e)	28.05

### II. DISTRICT GTB SUBSIDY:

		ELEM	HS
Statewide GTB ratio [elementary from (d) above, or high school from (e) above]	(a)		
2003-04 District GTB subsidized budget area: 35.3% of the Basic Entitlement + 35.3% of the Per-ANB Entitlement [Budget Data Sheet, Page 3]	(b)		
40% of 2003-04 District special education allowable cost payment plus district prorated coop cost payment [Budget Data Sheet, Page 3]	(c)		
District's FY 2003-04 guaranteed tax base (a) x [(b)+ (c)]	(d)		
District taxable valuation (Tax Year 2003) ** [Budget Data Sheet, Page 3]	(e)		
If (d) is greater than (e), then: District's FY 2004-05 GTB subsidy per BASE mill [(d)-(e)] x .001	(f)		
* See Budget Data Sheet, Page 3 for district's certified GTB subsidy.		[Enter GTB subsidy per mill on page 26 or 27, line 8.]	

\*\* A final determination of the Taxable Value by the Department of Revenue based on information delivered to the County Clerk and Recorder as required in 15-10-305, MCA (December) . Tax Increment Districts are excluded from taxable valuations used in GTB calculations.

-- GTB ratios for the ensuing year are calculated using prior year taxable values and GTB subsidized area.  
-- GTB ratios on I(d) and I(e) are rounded to two decimal places.

# **CALCULATING GENERAL FUND LEVIES** **--Elementary and High School Districts**

## **FUNDING THE BASE BUDGET:**

- |   |      |  |
|---|------|--|
| 1. Proposed FY 2004-05 General Fund Budget (page 22 or 23)  | (1)  |  |
| 2. BASE Budget Adopted (FY 2004-05 BASE from page 21, line 8)   | (2)  |  |
| 3. a. Direct State Aid [44.7% of Entitlements] [0.447 X page 18, lines (a) plus (b)]                              | (3a) |  |
| b. Special Education Allowable Costs Funding (page 17, Line (d))  | (3b) |  |
| 4. a. Total Unreserved Fund Balance for Budgeting (4a)  |      |  |
| b. Prior Yr "Excess Reserves" Used to Fund Over-BASE Budget (4b)  |      |  |
| c. Unreserved Fund Balance for Funding BASE and Over-BASE (Line 4a minus 4b)                                      | (4c) |  |
| 5. Non-Levy Revenues [Enter Tuition Revenue on Line (13), unless OverBASE budget = Zero]                          |      |  |
| a. Total "Actual" (See page 24) (5a)  |      |  |
| b. Total "Anticipated" (See page 24) (5b)   |      |  |
| c. Total "Other" " (See page 24) (5c)   |      |  |
| d. Total Non-Levy Revenues for BASE [5a + 5b + 5c]  | (5d) |  |
| 6. Tax Levy and GTB Needed to Fund BASE Budget (Line 2 - Line 3a - Line 3b - Line 4c - Line 5d) (If < 0, enter 0) | (6)  |  |
| 7. District Mill Value (Estimate using most updated Taxable Value X .001)   | (7)  |  |
| 8. Weighted GTB per BASE Mill (Budget Data Sheet, Page 3 OR page 25 line (f))                                     | (8)  |  |
| 9. Adjusted Mill Value (Line 7 plus Line 8)   | (9)  |  |
| 10. BASE Mills Required (Line 6 divided by Line 9) (ROUND TO XX.XX)   | (10) |  |

## **FUNDING THE OVER-BASE BUDGET: (Includes any Over-Maximum Budget)**

- |  |       |  |
|--|-------|--|
| 11. Amount Budgeted Over-BASE (Line 1 - Line 2)  | (11)  |  |
| 12. Prior Year General Fund "Excess Reserves" Used to Fund the Over-BASE Budget (from 4b)  | (12)  |  |
| 13. a. Fund Balance and Non-Levy Revenues Available to Fund the Over-BASE Budget (Lines 3a plus 3b plus 4c plus 5d plus 6, minus Line 2) | (13a) |  |
| b. Total "Tuition to Fund Over-BASE" (See page 24)   | (13b) |  |
| 14. Tax Levy Needed to Fund Over-BASE Budget (Line 11 - Line 12 - Line 13a - Line 13b)   | (14)  |  |
| 15. Over-BASE Mills Required (Line 14 divided by Line 7) (ROUND TO XX.XX)  | (15)  |  |

## **ARE FUNDING SOURCES ADEQUATE TO COVER BUDGET?**

- |   |       |  |
|---|-------|--|
| 16. a. Direct State Aid (Line 3a)   | (16a) |  |
| b. Special Education Funding (Line 3b)  | (16b) |  |
| c. Unreserved Fund Balance (Line 4a)  | (16c) |  |
| d. Prior Year Excess Reserves Reappropriated to Fund Over-BASE (Line 12)  | (16d) |  |
| e. Non-Levy Revenues (including Tuition) (Line 5d + Line 13b)   | (16e) |  |
| f. GTB (Line 8 X Line 10)   | (16f) |  |
| g. BASE Levy Tax Revenues (Line 7 X Line 10)  | (16g) |  |
| h. Over-BASE Levy Tax Revenues (Line 7 X Line 15)   | (16h) |  |
| i. TOTAL FUNDING SOURCES [Sum Lines 16a through 16h]<br>(Must = Line 1, may vary slightly due to rounding) If funding sources exceed total budget, BASE levy and Over-BASE levy must equal -0-. | (16i) |  |
| 17. <b>TOTAL GENERAL FUND MILLS</b> (Line 10 plus Line 15)*   | (17)  |  |

\* Add Mandatory Non-Isolated Mill Levy here, if applicable. Number of mills equals [(Line 3a divided by 2) divided by Line 7]. Applies only to Non- Isolated Elem. districts with less than 10 ANB.

## CALCULATING GENERAL FUND LEVIES

### --K-12 Districts

#### **FUNDING THE BASE BUDGET:**

1. Proposed FY 2004-05 General Fund Budget (page 22 or 23) (1) \_\_\_\_\_
2. BASE Budget Adopted (FY 2004-05 BASE from page 21, line 8) (2) \_\_\_\_\_
3. a. Direct State Aid [44.7% of Entitlements] [0.447 X page 19, lines (a3) plus (b3)] (3a) \_\_\_\_\_  
b. Special Education Allowable Costs Funding (Page 17, Line (d)) (3b) \_\_\_\_\_
4. a. Total Unreserved Fund Balance for Budgeting (4a) \_\_\_\_\_  
b. Prior Yr "Excess Reserves" Used to Fund Over-BASE Budget (4b) \_\_\_\_\_  
c. Unreserved Fund Balance for Funding BASE and Over-BASE (Line 4a minus 4b) (4c) \_\_\_\_\_
5. Non-Levy Revenues -- [Enter Tuition on Line 13, unless Over-BASE budget = Zero]  
a. Total "Actual" (See page 24) (5a) \_\_\_\_\_  
b. Total "Anticipated" (See page 24) (5b) \_\_\_\_\_  
c. Total "Other" (See page 24) (5c) \_\_\_\_\_  
d. Total Non-Levy Revenues for BASE [5a + 5b + 5c] (5d) \_\_\_\_\_
6. Tax Levy and GTB Needed to Fund BASE Budget (Line 2 – Line 3a – Line 3b -- Line 4c – Line 5d) (If <0, enter 0) [Line 6a plus Line 6b = Line 6] (6) \_\_\_\_\_  
a. ELEM Portion of Tax and GTB in BASE  
[Line 6 X Page 20 Line (n1)] n1 = \_\_\_\_\_% (6a) \_\_\_\_\_  
b. HS Portion of Tax and GTB in BASE  
[Line 6 X Page 20, Line (n2)] n2 = \_\_\_\_\_% (6b) \_\_\_\_\_
7. District Mill Value (Estimate using most updated Taxable Value X .001) (7) \_\_\_\_\_
8. a. ELEM Weighted GTB per BASE Mill (Budget Data Sheet, page 3) (8a) \_\_\_\_\_  
b. HS Weighted GTB per BASE Mill (Budget Data Sheet, page 3) (8b) \_\_\_\_\_
9. a. ELEM Adjusted Mill Value (Line 7 plus Line 8a) (9a) \_\_\_\_\_  
b. HS Adjusted Mill Value (Line 7 plus Line 8b) (9b) \_\_\_\_\_
- 10.a. ELEM BASE Mills Required (Line 6a divided by Line 9a) (ROUND TO XX.XX) (10a) \_\_\_\_\_  
b. HS BASE Mills Required (Line 6b divided by Line 9b) (ROUND TO XX.XX) (10b) \_\_\_\_\_

#### **FUNDING THE OVER-BASE BUDGET: (Includes any Over-Maximum Budget)**

11. Amount Budgeted Over-BASE (Line 1 - Line 2) (11) \_\_\_\_\_
12. Prior Year General Fund "Excess Reserves" Used to Fund the Over-BASE Budget (from 4b) (12) \_\_\_\_\_
13. a. Fund Balance and NonLevy Revenues Available to Fund the Over-BASE Budget (Lines 3a plus 3b plus 4c plus 5d plus 6, minus Line 2) (13a) \_\_\_\_\_  
b. Total "Tuition to Fund Over-BASE" [page 24] (13b) \_\_\_\_\_
14. Tax Levy Needed to Fund Over-BASE Budget (Line 11 – Line 12 - Line 13a – Line 13b) (14) \_\_\_\_\_
15. Over-BASE Mills Required (Line 14 divided by Line 7) (ROUND TO XX.XX) (15) \_\_\_\_\_

#### **ARE FUNDING SOURCES ADEQUATE TO COVER BUDGET?**

16. a. Direct State Aid (Line 3a) (16a) \_\_\_\_\_  
b. Special Education Funding (Line 3b) (16b) \_\_\_\_\_  
c. Unreserved Fund Balance (Line 4a) (16c) \_\_\_\_\_  
d. Prior Year Excess Reserves Reappropriated to Fund Over-BASE (Line 12) (16d) \_\_\_\_\_  
e. Non-Levy Revenues (including Tuition) (Line 5d + Line 13b) (16e) \_\_\_\_\_  
f. GTB (Line 8 X Line 10) (16f) \_\_\_\_\_  
g. BASE Levy Tax Revenues (Line 7 X Line 10) (16g) \_\_\_\_\_  
h. Over-BASE Levy Tax Revenues (Line 7 X Line 15) (16h) \_\_\_\_\_  
i. TOTAL FUNDING SOURCES [Sum Lines (16a thorough 16h)] (16i) \_\_\_\_\_  
(Must = Line 1, may vary slightly due to rounding. If funding sources exceed total budget, BASE levy and Over-BASE levy must equal -0-.
17. **TOTAL GENERAL FUND MILLS** (Line 10a plus 10b plus Line 15) (17) \_\_\_\_\_

## Estimating the Tax Impact of Mill Increases for School Ballot Issues

HB179, passed in the 2001 Legislative Session, requires that ballots for school elections must state the estimated tax impact of the proposed ballot issue on the taxes assessed on a house with a market value of \$100,000 or \$200,000. In addition, any other value of house can be stated.

This applies to the ballot for the general fund election for an equalized district (see page 29).

This example shows how to calculate the tax impact of a FY 2004-05 general fund levy increase of \$6,800 on a house valued at \$50,000, \$100,000 and \$200,000. This example assumes an elementary district is proposing a tax increase from \$35,700 to \$42,500 and that taxable valuation was \$1,008,000 for tax year 2003 and is estimated to be \$1,000,000 for tax year 2004.

1	House with Value of:		\$ 50,000	\$ 100,000	\$ 200,000
2	Less: Residential Exemption for Tax Year 2004 -- 31.4% per MCA 15-6-201		\$15,700	\$ 31,400	\$ 62,800
3.	Equals: Market Value after Exemption (line 1 – line 2)		\$34,300	\$ 68,600	\$137,200
4	Times: Assessment Rate (MCA 15-6-134)	3.300% 0.0330			
5	Equals: Taxable Valuation (line 3 X line 4)		\$1,131.90	\$2,263.80	\$4,527.60
6	Estimated Mills for Ballot for FY 2004-05 Over-BASE Budget: *				
	Proposed mills for FY 2004-05: FY2004-05 Over-BASE Levy Amt divided by (2004 Taxable Valuation X 0.001) = \$42,500 divided by (\$1,000,000 X 0.001) =	42.50 mills	Example		
			Elem Mills		
			HS or K-12 Mills		
7	Actual Mills from Prior Year (FY 2003-04) Over-BASE Budget: **				
	FY2003-04 Actual Over-BASE Levy Amt divided by (2003 Taxable Valuation X 0.001) = \$35,700 divided by (\$1,008,000 X 0.001) =	35.42 mills	Example		
			Elem Mills		
			HS or K-12 Mills		
8	Proposed Increase (Decrease) in Mills:				
	(line 6 – line 7)	7.08 mills	Example		
			Elem Mills		
			HS or K-12 Mills		
9	Impact of Proposed Tax Increase: (line 8 X line 5 X 0.001)  <div>Example Elementary HS or K-12</div>		[May include on page 29 with *C and *D)	[Insert at *C on page 29]	[Insert at *D on page 29]
			\$8.01	\$16.03	\$32.05

\* For a general fund election, the proposed mills would be the number of Over-BASE mills needed to support the budget for the coming year. For other types of school elections, enter the estimated number of mills estimated to be levied if the election passes.

\*\* For a general fund election, this amount would be the number of Over-BASE mills raised to support the prior year's general fund budget (Final Budget form, Line (V-K) or Budget Data Sheet, Line 4e). For other types of school elections, enter the number of mills levied for the fund for the prior year.

### Other requirements of HB179:

- Disclosure requirements apply to a regular or special school election that proposes to impose or raise a mill levy. An election to adopt a general fund budget that exceeds the Maximum is not subject to this disclosure but must instead use ballot language in 20-9-353, MCA.
- The ballot under 15-10-425, MCA, must include: specific purpose for which the money will be used, specific amount to be raised, approximate number of mills required, and durational limit, if any (i.e., If the law allows you to run the election once to levy for a stated number of years, state that number of years. Otherwise, the election applies for one year only.)
- The ballot must state the tax impacts for houses valued at \$100,000 and \$200,000 and MAY ALSO state the tax impact for a house of another value.

## Ballots and Propositions

<b>Equalized Districts:</b>		
(a)	Proposed Over-BASE Levy [Page 26 or 27, Line 16h]	
(b)	<b>Minus:</b> Prior Year Over-BASE Levy [FY 2003-04 Final Budget form, Line (V-K) or Budget Data Sheet, Line 4e]	
(c)	<b>Equals: (If &lt;0, enter Zero)</b> Amount of Voted Tax Levy <u>Increase</u> needed to support the Over-BASE Budget [(a) minus (b)]	[Insert at *A]
(d)	<b>Divided by:</b> District Mill Value (see Note 1 below) [Taxable Value X 0.001] or [page 26 or 27, Line 7]	
(e)	<b>Equals:</b> Total Number of Over-BASE Mills Needed for Ballot [(c) divided by (d)]	[Insert at *B]

Example OPTIONAL Ballot for Equalized Districts -- Insert items above where indicated.

<b>PROPOSITION</b>
<p>Shall the district be authorized to impose an increase in local taxes to support the general fund in the amount of \$ (*A_____) which is approximately (*B_____) mills for the purpose of (insert the purpose)?</p> <p>Passage of this proposal will increase the taxes on a home with a market value of \$100,000 by approximately \$ (*C_____) and on a home with a market value of \$200,000 by approximately \$ (*D_____).</p> <p><input type="checkbox"/> FOR the additional levy.</p> <p><input type="checkbox"/> AGAINST the additional levy.</p>

\*C and \*D come from page 28.

Note 1: See page 10 for discussion of taxable valuation and mill values.

## Ballots and Propositions (Continued)

<b>Disequalized Districts:</b>		
(a)	Amount of Proposed Budget Exceeding the Maximum [Pg. 22 or 23, line (12f) or (13f) or (14f)].	[Insert at *A]
(b)	<b>Minus:</b> Amount of non-levy revenues available to reduce the taxes levied for the over-Maximum area of the budget  --This would rarely exceed zero, unless the district either has very high non-levy revenues (e.g., local coal or oil & gas production), or extraordinarily high amounts of reappropriated fund balance so there would be no levy if the district budget did not exceed Maximum.	
(c)	<b>Equals:</b> Amount of Over-Maximum budget to be funded with tax levies [(a) minus (b)]	
(d)	<b>Divided by:</b> District Mill Value (see Note 2 below) [Taxable Value X 0.001] or [page 26 or 27, Line 7]	
(e)	<b>Equals:</b> Total Number of Over-Maximum Mills Needed [(c) divided by (d)]	[Insert at *E]

Example Ballot for Disequalized Districts -- Insert items above where indicated.

<b>PROPOSITION</b>  Shall the district be authorized to expend the sum of (*A_____) and being approximately (*E_____) mills for the purpose of (insert the purpose for which additional financing is made)?  <input type="checkbox"/> FOR budget authority and any levy. <input type="checkbox"/> AGAINST budget authority and any levy.
---

<b><u>Possible Examples for Disequalized Districts:</u></b>					
(a)	Amt of Proposed Budget Over-Maximum	*A	\$ 80,000	<u>Example 1</u>	<u>Example 2</u>
(b)	Amt avail to reduce Over-Max mill levy			-0-	\$ 1,000
(c)	Total levy needed for Over-Maximum budget			\$ 80,000	\$ 79,000
(d)	District Mill Value			\$ 10,000	\$ 10,000
(d)	Number of Over-Maximum mills needed	*E		8.00 mills	7.90 mills

Note 1: The prior year information does not affect the wording of the disequalized district's ballot (i.e., neither the number of prior year mills nor the dollar amount of prior year Over-Maximum budget affects the ballot language).

Note 2: See page 10 for discussion of taxable valuation and mill values.

### **Why isn't the impact on an owner of a \$100,000 or \$200,000 house listed on this ballot?**

Ballots for disequalized district general fund elections are not subject to MCA 15-10-425 because the law requires specific ballot language in MCA 20-9-353 for these elections. Although the impact information cannot be included on the disequalized ballot, it would be advisable to educate the voters about the impacts before the election.